

EXHIBIT A

DRAFT PROPOSED RULES

§ 25.aaa Eligibility

Rules 25.xxx, 25.yyy, and 25.zzz, are applicable only to 2 GHz MSS licensees that received conditional licenses as a result of the first 2 GHz MSS processing round which concluded following the adoption of the Report & Order in IB Docket No. 99-81.

§ 25.xxx Coordination Default

(a) If, within 120 days of commencement of MSS intersystem coordination between an operating 2 GHz MSS licensee and a newly entering 2 GHz MSS licensee pursuant to Rule §_____, no coordination agreement has been reached after good faith negotiations, the newly entering MSS licensee shall be entitled, on an interim basis subject to subparagraph (b) below and dispute resolution as provided in Rule 25.yyy, to utilize up to $1/(n+1)$ of the spectrum then currently available for use by all operating 2 GHz MSS licensee(s) where n is the number of 2 GHz MSS systems both in operation and/or entering the frequency band; provided, that (i) a demand for the same or greater amount of spectrum had been made in conjunction with its request for coordination, (ii) payment of relocation reimbursement has been made to the operating 2 GHz MSS licensee(s) in accordance with Rule §_____ prior to any use of spectrum made available pursuant to this section, and (iii) utilization of such spectrum on an interim basis will not cause harmful interference to the operating 2 GHz MSS system(s) in the remaining frequency spectrum.

(b) No interim spectrum relief shall be accorded to a newly entering 2 GHz MSS licensee under this section if such spectrum assignment exceeds, individually or in the aggregate, the guaranteed minimum spectrum provided for in Rule §_____.

Note: For illustrative purposes, assume one operating 2 GHz MSS system using 6 MHz and one entering 2 GHz MSS system. The formula in (a) above would give the newly entering MSS system 1/3 of the available spectrum, or 2 MHz. If, on the other hand, there were two operating systems and one newly entering system, the formula would result in the original MSS system retaining 3 MHz, the second system retaining 1.5 MHz and the third system acquiring 1.5 MHz of cleared spectrum. At this juncture, all 2 GHz MSS systems would undertake to clear additional spectrum. It must also be remembered that this is an *interim relief* provision only; it does not set final spectrum coordination boundaries or usage.

§25.yyy Coordination Dispute Resolution

(a) Upon the filing with the Commission of a sworn declaration by a newly entering 2 GHz MSS licensee that it has not been able to reach a coordination agreement with an operating 2 GHz MSS licensee after having negotiated for such agreement in good faith pursuant to Rule 25.xxx, the following procedures shall be implemented:

(1) Within 10 days of the service of such declaration upon the operating 2 GHz MSS licensee, the newly entering 2 GHz MSS licensee shall file with the FCC a Petition for Coordination Determination which shall include: (i) a recitation of the facts pertaining to the subject coordination; (ii) a demonstration that the operating 2 GHz MSS licensee with which it has sought coordination has not negotiated in good faith; (iii) a demonstration that its coordination request is reasonable, appropriate and technically feasible; and (iv) a specific enumeration of the relief requested.

(2) Within 20 days of the filing of a Petition for Coordination Determination, the operating 2 GHz MSS licensee against which it is directed may file a Reply, setting forth such facts and arguments as it deems relevant and pertinent to the issues.

(3) Within 10 days of the filing of such Reply, the Petitioner may file a Response.

(4) No further pleadings will be permitted except as may be requested by the Commission.

(5) All pleadings filed pursuant to this section shall be supported by affidavit or declaration of a person or persons with specific knowledge of the facts alleged consistent with Rule § 1.16 and shall be served on all other parties by hand delivery or overnight courier.

(b) The Commission, by delegated authority, will issue a ruling concerning the Petition for Coordination Determination within 45 days following the filing of the Petitioner's Response.

(c) If a petition for review of such ruling is timely filed, the Commission shall issue a decision with respect thereto within 60 days of its submission but, unless a stay of the ruling issued by delegated authority is granted, the ruling by delegated authority shall remain effective unless and until it is reversed or modified following any such review.

§ 25.zzz Cost Equalization

(a) Except as provided in (d) below, newly entering 2 GHz MSS licensees shall be required to participate in the Commission's 2 GHz MSS relocation cost equalization program when they satisfy the specified relocation/coordination milestone [one-year prior to launch of first satellite].

(b) All 2 GHz MSS licensees are obligated to assume a share of the costs of relocation of incumbent licensees in the 1990-2025 MHz and 2165-2200 MHz bands based on the ongoing average cost per MHz of spectrum. This average cost shall be determined on a rolling, going-forward basis (separately for the uplink and downlink bands), based on the costs incurred by all participating 2 GHz MSS licensees in relocating incumbent licensees in the aforementioned frequency bands as documented in accordance with subparagraph (c). Each participating 2 GHz MSS licensee shall reimburse other 2 GHz MSS licensees, or receive from them as the case may be, a "true up" in an amount representing the proportional use of spectrum by each respective MSS licensee based upon the then average cost per MHz of cleared spectrum.

(c) Each 2 GHz MSS licensee that incurs relocation costs shall routinely file all relevant information with the Commission [or the designated clearinghouse], on a confidential basis, within 30 days after entering into a voluntary relocation agreement or making expenditures in furtherance of any voluntary or involuntary relocation; provided, however, that such information shall be made available to newly entering 2GHz MSS licensees meeting the coordination milestone as necessary to implement cost equalization as provided herein,

(d) If any newly entering 2GHz MSS licensee can demonstrate to the Commission, following an opportunity for comment by other 2GHz MSS licensees, that it is able to share co-frequency with incumbent terrestrial licensees and whose operation would thus not require their relocation, and the Commission issues a determination to this effect, such newly entering 2GHz MSS licensee shall be exempt from the provisions of this Rule; except that such newly entering 2GHz MSS licensee shall be subject to cost equalization to the extent it utilizes spectrum previously cleared by other 2GHz MSS licensees.

EXHIBIT B

March 4, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

Re: EX PARTE
ET Docket No. 95-18
RM-9328

Dear Ms. Salas:

We understand from our ongoing discussions with ICO Global that the Commission staff desires a better understanding of the level of certainty investment banks generally require regarding a satellite operator's licensing status before a bank would be willing to provide a satellite operator with financing. In other words, as we understand it, the Commission staff wishes to know whether an investment bank would require a satellite operator to have a specific frequency assignment or license from the FCC before the company would be considered an eligible candidate for financing. We take this opportunity to provide the Commission with our investment bank's response to this question.

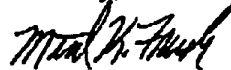
In deciding whether to offer financing or assistance in obtaining financing to any prospective satellite service provider, we generally consider a number of factors including regulatory status. An operator does not necessarily require government assurances that it will have access to specific spectrum frequencies as a precondition for financing or assistance in obtaining financing. We generally would be willing to seek to provide financing to a satellite operator that can demonstrate that it has a reasonable likelihood of obtaining access to a sufficient amount of appropriate spectrum to operate its proposed satellite system, as long as the operator satisfies other important business criteria.

Ms. Magalie Roman Salas
March 4, 1999
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Any undertaking on the part of our investment bank to finance a satellite operator would first require that the enterprise be viable in all relevant business respects. In general we would require that a prospective client have a sound business plan including, in many cases, existing sources of equity financing, strong strategic partners, and competent management. A project that meets all these criteria could be financed if the company has a reasonable chance of receiving regulatory approval.

We hope our views with respect to this issue are of assistance to the Commission. Two originals and two copies of this letter have been submitted to the Secretary of the Commission for inclusion in the public record, as required by Section 1.1206(b)(2) of the Commission's rules.

Sincerely,



Michael K. French
Satellite Industry Group
ING Baring Furman Selz, LLC

cc: Rebecca Dorch
Tom Tycz
Chris Murphy
Ron Repasi
Karl Kensinger
Howard Griboff
Alex Roytblat

Donaldson, Lufkin & Jenrette

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MAR 8 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

March 5, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, DC 20554

Re: EX PARTE
ET Docket No. 95-18
RM-9328

Dear Ms. Salas:

We have represented ICO Global Communications with respect to equity and debt capital raising. In addition, we have represented or acted as underwriter for a number of other early stage satellite companies, including EchoStar Communications Corporation, Globalstar, Iridium and Pan AmSat. We have raised over \$15 billion in over 40 equity and debt transactions for satellite companies since 1993, a portion of which was for companies that had not yet received frequency assignments from the FCC.

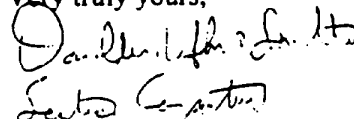
It has come to our attention that in the course of considering the various licensing and service rule options at issue in various satellite service rules proceedings, the Commission staff has expressed an interest in better understanding the level of certainty investment banks generally require regarding a satellite operator's assured access to spectrum before they are willing to provide a satellite operator with financing directly or to assist such an operator in obtaining financing (i.e., by underwriting securities or debt offerings). In other words, as we understand it, the Commission staff wishes to know whether an investment bank would require a satellite operator to have a specific frequency assignment from the FCC before it would provide financing or assist the operator in obtaining financing. We take this opportunity to provide the Commission with our bank's response to its question.

In consideration whether to offer financing to any satellite operator that hopes to provide satellite service, or to assist that operator in obtaining financing, we generally do not require the operator to have government assurances that it will have access to specific spectrum frequencies as a precondition for financing or assistance in obtaining financing. Rather, if a satellite operator can demonstrate that it has a reasonable likelihood of access to an amount of spectrum sufficient to operate its proposed satellite system and that its system can operate across the frequency band

assigned to the service at issue, we generally would provide financing to that operator or assist that operator in obtaining financing. We caution, of course, that any undertaking on the part of any investment bank to finance any satellite operator also would require that the enterprise is viable in all other relevant respects, e.g., among other things, a sound commercial business plan including, in many cases, existing sources of equity financing, and competent management.

We hope our views with respect to this issue are of assistance to the Commission. Two originals and two copies of this letter have been submitted to the Secretary of the Commission for inclusion in the public record, as required by Section 1.1206(b)(2) of the Commission's rules.

Very truly yours,



Donaldson, Lufkin & Jenrette
Securities Corporation

cc: Tom Tycz
Chris Murphy
Ron Repasi
Karl Kensinger
Howard Griboff
Alex Roytblat